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Accountant's Compilation Report

Board of Directors
High Prairie Farms Metropolitan District
Douglas County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances of High Prairie Farms Metropolitan District for the year ending December 31, 2017, including the estimate of comparative information for the year ending December 31, 2016, and the actual comparative information for the year ending December 31, 2015. We have performed compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. A compilation is limited to presenting, in the form prescribed by CRS 29-1-105, information that is the representation of management. We did not audit or review the budget nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the accompanying budget.

We draw attention to the summary of significant assumptions which describe that the budget is presented in accordance with the requirements of C.R.S. 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to High Prairie Farms Metropolitan District.

CliftonLarsonAllen LLP

Greenwood Village, Colorado
December 13, 2016

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
GENERAL FUND
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
BEGINNING FUND BALANCES	\$ 1,043,791	\$ 1,001,426	\$ 745,966
REVENUES			
1 Property taxes	478,958	534,497	535,888
2 Specific ownership taxes	46,050	48,105	48,230
3 Conservation Trust entitlement	10,440	10,000	10,000
4 Net investment Income	2,989	6,162	4,000
5 Other income	7,118	238	1,000
6 IREA refunds	424	390	-
Total revenues	<u>545,979</u>	<u>599,392</u>	<u>599,118</u>
Total funds available	<u>1,589,770</u>	<u>1,600,818</u>	<u>1,345,083</u>
EXPENDITURES			
7 General and administration			
8 Accounting	63,805	56,674	59,000
9 Audit	4,200	4,000	4,000
10 Contingency	-	-	5,000
11 County Treasurer's fees	7,192	8,017	8,038
12 Director fees	5,900	6,000	8,000
13 District management	-	8,592	6,500
14 Dues and membership	750	708	800
15 Election	-	20	-
16 Insurance	9,147	9,494	10,500
17 Legal	57,287	47,000	55,000
18 Miscellaneous	2,174	3,000	3,000
19 Records retention	3,675	1,325	5,000
20 Website and communication	289	1,000	3,000
21 Operations maintenance	328,766	305,232	428,500
22 Capital outlay	100,791	340,000	415,500
23 Capital outlay	-	8,790	82,000
Total expenditures	<u>588,344</u>	<u>854,852</u>	<u>1,093,838</u>
Total expenditures requiring appropriation	<u>588,344</u>	<u>854,852</u>	<u>1,093,838</u>
ENDING FUND BALANCES	<u>\$ 1,001,426</u>	<u>\$ 745,966</u>	<u>\$ 251,245</u>
Emergency Reserve	\$ -	\$ -	\$ 17,970
Working capital	-	-	150,000
Capital replacement	-	-	63,275
Reserve for Rockwall	-	-	20,000
TOTAL RESERVE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,245</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
PROPERTY TAX SUMMARY INFORMATION
For the Years Ended and Ending December 31,

12/13/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
ASSESSED VALUATION - DOUGLAS			
Residential	\$ 37,959,300	\$ 42,343,670	\$ 42,747,660
Agricultural	1,050	730	730
Vacant Land	1,598,930	1,861,140	1,750,070
State Assessed	352,700	354,700	157,800
Natural resources	1,060	1,060	1,060
Certified Assessed Value	<u>\$ 39,913,040</u>	<u>\$ 44,561,300</u>	<u>\$ 44,657,320</u>
MILL LEVY			
GENERAL FUND	12.000	12.000	12.000
Total Mill Levy	<u>12.000</u>	<u>12.000</u>	<u>12.000</u>
PROPERTY TAXES			
GENERAL FUND	\$ 478,956	\$ 534,736	\$ 535,888
Levied property taxes	478,956	534,736	535,888
Adjustments to actual/rounding	2	(239)	-
Budgeted Property Taxes	<u>\$ 478,958</u>	<u>\$ 534,497</u>	<u>\$ 535,888</u>
BUDGETED PROPERTY TAXES			
GENERAL FUND	\$ 478,958	\$ 534,497	\$ 535,888
	<u>\$ 478,958</u>	<u>\$ 534,497</u>	<u>\$ 535,888</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
GENERAL FUND EXPENDITURE DETAILS
2017 BUDGET AS ADOPTED
WITH 2015 ACTUAL AND 2016 ESTIMATED
For the Years Ended and Ending December 31,**

12/13/2016

	ACTUAL 2015	ESTIMATED 2016	ADOPTED 2017
Operations maintenance			
1 Building rent	\$ 500	\$ 500	\$ 500
2 Christmas lights	5,819	6,500	8,000
3 Maintenance - chemical and fertilizer	4,060	3,000	3,000
4 Maintenance - contract services	130,656	135,132	148,000
5 Maintenance - equipment repairs and parts	6,500	7,000	10,000
6 Maintenance - fuel and oil	2,710	3,000	3,000
7 Maintenance - other *	15,966	17,000	25,000
8 Maintenance - sprinkler	5,457	3,000	8,000
9 Maintenance - tree spraying and maintenance	75,038	40,000	40,000
10 Maintenance - weed spraying	9,726	8,000	15,000
11 Maintenance - wild fire and land mitigation	39,730	36,000	30,000
12 Maintenance, trails and walkways	-	7,000	5,000
13 Security and traffic safety	4,749	5,100	10,000
14 Sign maintenance	273	1,000	5,000
15 Utilities	6,375	6,000	8,000
16 Erosion control	-	-	15,000
17 General engineering	-	5,000	10,000
18 Maintenance - parkway	4,368	-	10,000
19 Reserve study	-	-	5,000
20 Timbers Creek	-	55,000	40,000
21 Water	21,207	22,000	30,000
Total Operations maintenance	<u>\$ 328,766</u>	<u>\$ 305,232</u>	<u>\$ 428,500</u>
Capital outlay			
22 Building	-	-	2,500
23 Contingency	-	-	20,000
24 Detention ponds & storm drainage	-	-	75,000
25 Equipment purchase	18,527	6,000	50,000
26 Fence replacement	-	-	3,000
27 Fountain pond	-	300,000	15,000
28 Horned Owl Trail	10,827	-	-
29 Mailboxes and landscape	31,035	15,000	10,000
30 New signage, traffic & speed mitigation	-	4,000	20,000
31 Open space and pocket park	14,501	-	15,000
32 Rockwall	-	-	20,000
33 Sprinkler replacement & upgrades	-	-	15,000
34 Storm drainage (Engineering)	25,901	15,000	30,000
35 Timbers Creek Study	-	-	60,000
36 Trails and walkways - existing	-	-	80,000
Total Capital outlay	<u>\$ 100,791</u>	<u>\$ 340,000</u>	<u>\$ 415,500</u>
Capital outlay			
37 Beautification - Entry way	\$ -	\$ -	\$ 15,000
38 Entryway (Eight)	-	8,790	56,000
39 Playground equipment replacement	-	-	10,000
40 School District Property	-	-	1,000
Total Capital outlay	<u>\$ -</u>	<u>\$ 8,790</u>	<u>\$ 82,000</u>

* Maintenance - other includes cost for planting and maintaining annual flowers and the maintenance of the Pinery Sculpture.

This financial information should be read only in connection with the accompanying accountant's compilation report and summary of significant assumptions.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

High Prairie Farms Metropolitan District (District), a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized on May 5, 1986, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in Douglas County, Colorado.

The District was established to provide public services, including streets, safety protection, transportation and park and recreational facilities. No change in the level of service is anticipated during 2017.

The District has no employees and all operations and administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on page 3 of the Budget at the adopted mill levy of 12.000 mills, which is the same as the 2015 levy for collection in 2016, as approved by the District's voters at an election held in November 1996.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 9% of the property taxes collected by the General Fund.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of 0.50%.

Conservation Trust Entitlement

The District receives revenue from the State lottery on a per capita basis ratio. The revenue is restricted for certain costs related to parks and recreational activities under State statutes. The District anticipates incurring eligible expenditures to fully use this entitlement during the budget period.

**HIGH PRAIRIE FARMS METROPOLITAN DISTRICT
2017 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

County Treasurer's Fees

County Treasurer's fees have been computed at 1.5% of property tax collections.

Administrative and Operating Expenditures

Most administrative and operating expenditures have been assumed to be at approximately the same level since no significant changes are anticipated in the level of services provided.

Expenditures for trails and sidewalks include various items such as dog stations and signage.

Debt and Leases

The District has no outstanding debt. The District has no capital or operating leases.

Reserves

Emergency Reserve

The District has provided for an Emergency Reserve fund equal to at least 3% of fiscal year spending for 2017 as defined under TABOR.

Reserve Fund

The District considers any additional funds available at year-end reserved for future operations.

The District has set aside funds to be used for the future replacement of such capital items as fencing, landscaping, irrigation, and the rock walls. A formal replacement reserve study has not been undertaken; and therefore, amounts accumulated may not be adequate to meet future needs.

This information is an integral part of the accompanying budget.